

Message Text

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ORIGIN OPIC-06

INFO OCT-01 EA-09 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 TRSE-00 XMB-04 SP-02 CIEP-02

LAB-04 SIL-01 OMB-01 USIE-00 INRE-00 L-03 SSO-00 /053 R

DRAFTED BY OPIC/ID/NEA:AMKRAMISH:BS

APPROVED BY EB/IFD/OIA:RJSMITH

OPIC/T:LNEILSON

OPIC/F:JCULMAN

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EB/IFD/OIA:DHSTEBBING

EA/K:PMAYHEW

EA/EP:RIMUS

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O 112151Z SEP 75

FM SECSTATE WASHDC

TO AMEMBASSY SEOUL IMMEDIATE

UNCLAS STATE 216453

E.O. 11652: N/A

TAGS: EINV

SUBJECT: UNION OIL: OPIC INSURANCE AND FINANCE

1. OPIC HAS GIVEN TENTATIVE APPROVAL TO UNION OIL PROPOSAL TO PREPAY EARLY MATURITIES AND PORTION OF (4 MILLION DOLLARS) LATE MATURITIES ON U. S. BANK LOANS TO KYUNG IN COMPANY. THIS WILL REQUIRE EARLY WITHDRAWAL OF 17.1 MILLION DOLLARS OF SURPLUS FUNDS OF THE FOREIGN ENTERPRISE AND SLIGHT MODIFICATION OF CURRENT RATIO FOR OPERATIONS.

2. OPIC BELIEVES PROPOSAL WOULD HAVE AT LEAST TWO BENEFICIAL EFFECTS: FIRST, IT WILL REDUCE EXCESSIVE AND UNNECESSARY CASH POSITION AND MITIGATE HEAVY DEBT OF FOREIGN ENTERPRISE; SECONDLY, IT WILL REDUCE BY APPROXIMATE-
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LY 25 MILLION DOLLARS OPIC'S KOREAN EXPOSURE, A SUBSTANTIAL

PART OF WHICH IS ON THE UNION PROJECT, AND PROVIDE ADDITIONAL FLEXIBILITY IN THE ADMINISTRATION OF THE KOREAN PROGRAM.

3. ED POWELL, UNION OFFICIAL, EXPECTS TO ARRIVE IN SEOUL SEPTEMBER 10 WITH FULL DETAILS OF PROPOSAL. BELIEVE EMBASSY MAY WISH TO JOIN UNION IN DISCUSSING DETAILS OF PROPOSAL WITH ROK AUTHORITIES. LENDERS FINAL AGREEMENT TO UNION PROPOSAL WILL DEPEND, IN PART, ON FAVORABLE ROK REACTION. KISSINGER

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Message Attributes

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Draft Date: 11 SEP 1975
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Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
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Disposition Event:
Disposition History: n/a
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Document Unique ID: 00
Drafter: AMKRAMISH:BS
Enclosure: n/a
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Handling Restrictions: n/a
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Legacy Key: link1975/newtext/t19750961/aaaacbnpn.tel
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Original Previous Classification: n/a
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Review Content Flags:
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Margaret P. Grafeld
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